

# GOVERNMENT APPOINTS OIL DICTATOR

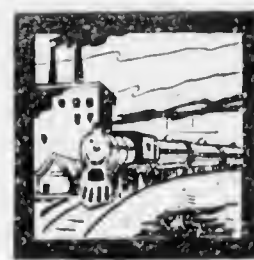
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# The

# Oil

# World.



An Independent Weekly

Devoted to Oil Industry

VOL. I. No. 33.

LEXINGTON, KY., SATURDAY, JANUARY 12, 1918.

Price 10 Cents.

## Oil Men Ask Congress For Tax Relief Land Leasing Bill Passed By The Senate

### P. J. White to Represent Kentucky Oil Men For War Tax Relief

P. J. WHITE,

Commercial National Bank Bldg., Shreveport, La.

At a meeting of the Kentucky Oil Men's Association, held here today, you were unanimously chosen to go to Washington as their representative to co-operate with the Mid-Continent Association in their appearance before the Treasury Department.

A resolution of protest is being prepared for your use and will be forwarded to Washington to you, care J. J. Shea, Chairman, Mid-Continent Association.

Your acknowledgement would enable us to know we had reached you.

F. B. TOMB, President.

#### OIL MEN ASK CONGRESS FOR WAR TAX RELIEF.

WASHINGTON, D. C.—Due in part to the efforts of the committees on taxation of the Mid-Continent Oil and Gas Association, of which Judge J. J. Shea is chairman, an amendment is to be presented to Congress to revise the War Excess Profits Tax law in order that it shall work less hardship on the oil producers and shall leave them in shape to push their efforts to increase crude production at a time when it is more necessary than ever before.

Their amendment is based upon the necessity for a recognition of the employment of a different principle of taxation in handling depleted assets of oil and mining companies than is provided for in the excess profits law as it now stands.

Interpretation of the present statute makes "invested capital" the actual cash value of property paid for in stock. The effect of this interpretation is that a company having a high capitalization will enjoy greater exemption than another company with similar earnings but a more conservative capitalization.

The amendment together with a statement as to the views of the oil and gas and mining interests of the country take in regard to just taxation measures as applied to their particular industries was presented to the War Excess Profits Tax Advisory Committee about two weeks ago by a committee of sixteen oil and gas and mining operators, of which Judge Shea, of the Mid-Continent oil producers, is chairman. T. D. Dimes, western oil operator with headquarters at Denver, is the second oil man on the committee. Other members represent coal, lumber, western lead, gold and silver and lead and zinc interests.

The Commissioner of Internal Revenue seems to be of the opinion that a change in the law by amendment should be provided or that official discretion in the interpretation of the provision in question should be exercised to remedy what was an oversight in drawing up the law.

#### Gives Time to Case.

Since his appointment on the Mid-Continent Oil & Gas Association's taxation committee, Judge Shea has spent practically all his time in Washington. He allied himself with the American Mining Congress, which held sessions in Washington from December 14th to December 22nd. His activity and initiative in taxation matters led to his appointment as chairman of the committee of sixteen appointed at that Congress to confer with representatives of the Treasury Department and with the Excess Profits Tax Advisory Committee.

The amendment will probably be introduced in Congress shortly after that body resumes after the holidays. It may be introduced by Senator King, of Utah, who arranged the hearings between the oil and gas men and mining operators and the Tax Advisory Board.

The following are members of the committee of sixteen appointed by the American Mining Congress:

Oil and Gas—Hon. John J. Shea, chairman, Tulsa, Oklahoma; T. A. Dimes, Denver.

Coal—A. G. Dickson, chairman, Pennsylvania; Herbert Pope, Chicago.

Lumber—Oscar E. Waer, chairman, Michigan; Massey Holmes, Missouri.

Western Lead—Ravenel Macbeth, chairman, Idaho; A. G. MacKenzie, Utah.

Gold and Silver—Governor E. D. Boyle, chairman, Nevada; Albert Burch, California.

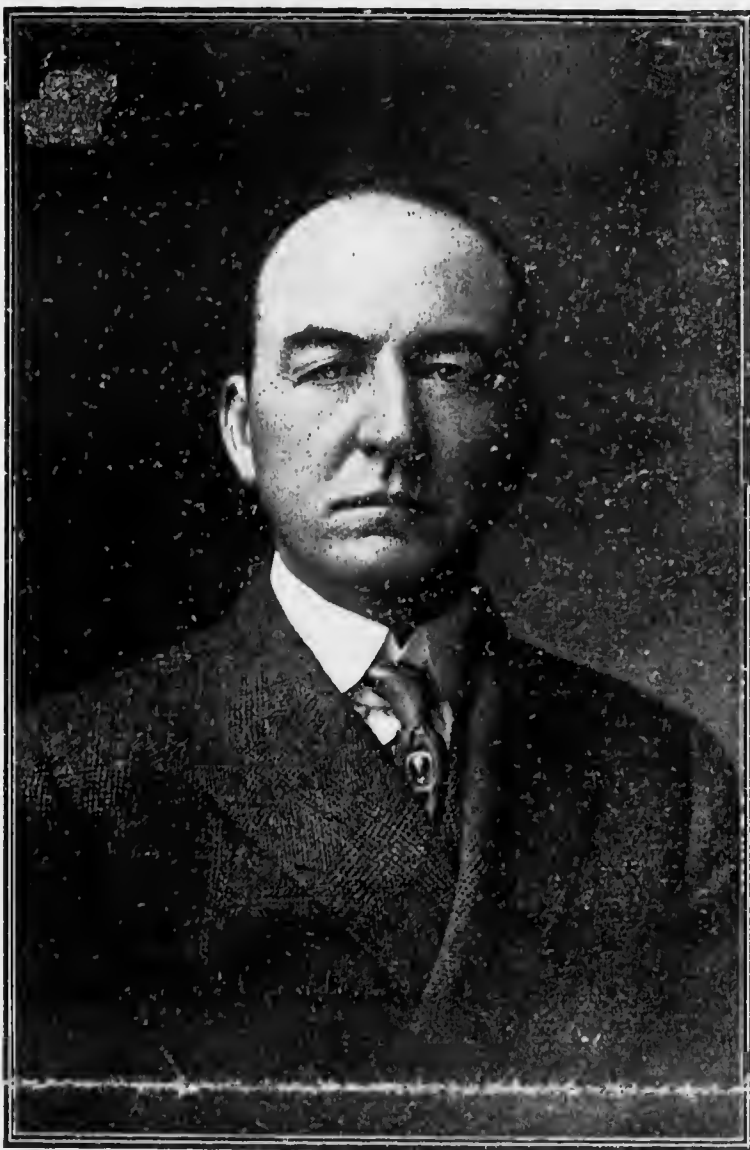
Missouri Valley Lead and Zinc—A. Scott Thompson, chairman, Oklahoma; Victor Rakowsky, Boston.

The amendment, which is to be offered as an addition of a new subdivision C to Section 207 of the law, reads as follows:

#### Capitalize Pre-War Income.

"That in the case of mines, oil and gas wells, the invested capital, at the option of the taxpayer, shall be (1) the average pre-war net income capitalized at 8 per cent., and (2) paid in or earned surplus and undivided profits used or employed in the business since the pre-

(Continued on Page Eight)



L. W. STOLL.

President of the First and City National Bank, Lexington, Ky. Mr. Stoll is the man who put the two Liberty Loans over the plate in Central and Eastern Kentucky. Mr. Stoll believes in the future of Kentucky oil production and is a consistent booster of legitimate oil operations. Incidentally is an ex-president of the Kentucky Bankers' Association and in all round good business man.

### OIL DICTATOR

WASHINGTON, Jan. 10.—Mark L. Requa, of Oakland, Cal., assistant to Food Administrator Hoover, will be placed in charge of the oil industry when control is taken over soon by the Government.

#### (Comment by Tuck.)

This is taken to mean that the Government will get after the storage oil and govern the distribution. It may also be assumed that the dictator will say how much the consumer and retailer should pay. He may also say how much the producer should get for his product in the same terms as the Government made to the coal miners and the farmers as regards to wheat. We do not believe that the Government intends to go into the producing end, if so they should start drilling on the thousands of acres of Government reserves. The Government must know that more oil is needed and the only way to get that oil is to give the producer every help possible. There is no business where the element of chance is as great as the oil business. The producer of coal, oil, lead, silver and gold can measure the quantity to a fairly accurate amount. The farmer knows about how much he can produce under normal conditions, but the oil producer may hit a dry hole within fifty feet of a good well and a good well may go to salt water over night. There are only two persons we know who might regulate the oil production with any degree of certainty. One is John D. Rockefeller, the other is God Almighty. Mr. Requa may be an able man, but he cannot tell us with a certainty where the untapped oil pools are. What he can do is to pick out the men who are drilling in the likely spots and see that they get the material and money to get the oil.

They have established banks to loan money to farmers to produce food; now let them establish a bank to help the oil producer. A producer with 100 barrels of settled production ought to be able to go into any bank in the State and get from \$15,000 to \$25,000 without delay, if he needs it for development.

Speed up your pipe and tank lines, Mr. Requa—speed up the delivery of drilling material and gamble a little with the producer. He will give you a run for your money.

#### PROPOSED AMENDMENT.

FRANKFORT, Ky., Jan. 9.—An effort will be made during the Legislature, which convened Tuesday, to amend the law providing for a tax on the oil pipe lines in this state instead of a tax on the oil producer. Under the present law, which was passed at the extra session last year, a tax is placed on each barrel of oil produced in this state.

There are 700 oil producers who pay tax to the state in amounts ranging from two cents to \$300.

### Open Up Oil Reservoirs Government Reserves Exception to Naval No. 2

WASHINGTON, D. C.—The Walsh-Pittman oil and coal land leasing bill was passed by the Senate late today, by a vote of 37 to 32. It now goes to the House.

The oil land leasing bill has been pending in the Senate for four years. Its passage at this session was made possible by an agreement to eliminate from its provisions the naval oil reserves, which was urged by the Navy Department. A separate bill, providing for the operation of these reserves by the Government, the leases of the present claimants being obtained either through condemnation proceedings or by direct purchase, is being framed now and will be introduced as soon as approved by President Wilson.

Consideration of the Pittman bill was begun in the Senate prior to the holidays, but under an unanimous consent agreement, a final vote was not taken until late today. The vote follows:

For the bill—Democrats—Ashurst, Bankhead, Beckham, Chamberlain, Fletcher, Gerry, Hollis, Jones, New Mexico; Kendrick, Lewis, McKellar, Myers, Overman, Owens, Phelan, Pittman, Pomerehne, Ransdell, Robinson, Sharoth, Sheppard, Shields, Simmons, Smith, Arizona; Sterling, Stone, Thompson and Wolcott—28.

Republicans—Fernald, Hale, Johnson, California; Knox, Lodge, McCumber, McLean, McNary and Warren—6. Total 37.

Against the bill—Democrats—Gore, Hardwick, Johnson, South Dakota; King, Kirby, Smith, South Carolina; Swanson, Tillman, Tennessee; Underhill, Utah; and Woodruff—22.

Republicans—Dorah, Calder, Cummins, Curtis, France, Fletcher, Haysen, Gallinger, Gronna, Harding, Jones of Washington, Kenyon, Landolphe, New, Norris, Poindexter, Sherman, Snodgrass, Tamm, Townsend and Wadsworth—21. Total 32.

#### Provisions of Bill.

As finally passed the bill provides for the general leasing of phosphate, oil, gas and sodium lands by the Secretary of the Interior with royalties to be paid to the Government, and for purchase of lands by lessees under certain conditions.

With the exception of the provision to open naval reserves No. 2 in California, which was eliminated, the bill was passed almost unchanged.

The principal fight was over sections which Senator Pittman, in charge of the measure, declared were inserted as a protection against monopolies. They provide that no person, association or corporation shall be permitted to hold by leases an area greater than 2500 acres, and that lessees shall not hold more than a tenth interest in any organization engaged in the transportation of mining of minerals.

An amendment by Senator Sterling permitting holders of claims to combine with the consent of the Secretary of the Interior for the purpose of constructing of pipe lines and refineries was adopted.

Senator Thomas vigorously opposed the Sterling amendment and sections limiting lessees' stock in refining companies, declaring that he did not believe Congress should penalize a man for buying stock.

His motion to strike out the section was rejected.

The Senate also rejected Senator Kirby's amendment, which would have authorized the President to develop, mine and operate coal and oil properties or public lands when the public exigencies require it.

The amendment by Senator King providing that no public mineral lands can be withdrawn by the President or any reserve created except by act of Congress was accepted. Another amendment by the Utah Senator, providing for the ceding of all unreserved public lands to the States, was defeated.

#### INTEREST WEST.

Interest in the western portion of the state is increasing daily. It is predicted that active development work will commence shortly in new territories in that section. A number of good wells have been drilled in in Allen and Warren Counties.

John C. Caldwell, of Nashville, Tenn., was in Winchester Wednesday on his way to Elliott County, where the Ken-See Oil Company, for which he is a member, have large holdings. It is understood that contracts have been let for drilling on a large acreage and it will begin at once.

Both Bowling Green and Scottsville are crowded with oil men who evince their faith in the future of that section.

There was much excitement in Bowling Green on Tuesday over a new well reported to a 30-barrel producer, which was brought in on the property of the Wisconsin-Kentucky Oil Company. It has not been put to pumping yet.

A second well will be drilled in on the Johnson farm in the same locality in the near future. Since a 50-barrel producer was brought in on that lease, leasing activities have been flourishing. The Searles farm, composed of 1,000 acres, has been leased to Arkansas parties, and a test well will be drilled shortly.



## KENTUCKY NEWS

One of the latest incorporations to enter the Kentucky oil fields is the Murphy Fork Oil and Gas Company, of Winchester and Hazel Green.

This company filed articles of incorporation a few days ago incorporating at \$10,000. The company holds a tract of about 1,800 acres of the best looking territory in the eastern part of the state which is located in Morgan County and which they will begin to develop as soon the weather will permit.

The head offices of the company will be located in Winchester and a branch office will be opened in Hazel Green within the next few days.

The stockholders held a meeting on Tuesday afternoon in their offices on Lexington Avenue and selected their officers as follows: C. A. Hurt, President; L. V. Mullen, Vice-President; W. G. Hurt, Secretary, and H. S. Gilbert, Treasurer.

The incorporators of the company state that they will test their leases out thoroughly and are confident they will, according to geologists' reports, find oil in paying quantities.

Through information given out by Mr. L. V. Mullen, of Winchester, one half owner of three gas wells which were recently brought in on their lease in Morgan County, near Mize, have closed a deal with Capt. T. J. Tonkin, general manager of the Central Kentucky Natural Gas Company, for the purchase of their wells. The three wells are estimated as good for three and a half million feet per day.

With the purchase of the additional gas wells, the company now assure the public of an unlimited supply of gas. In addition to the purchase of these new wells the company has also contracted for several wells in West Virginia, the flow of which will be turned into the company's mains for supplying consumers in this section as soon the necessary machinery is installed.

The prize paid to Mullen & Mullen for their interest was not made public, but is known to have been a good sized figure.

The well on the Dials farm, located on what is known as the "Yost Structure" in Elliott County and owned by the Rice Oil Company, has been drilled into the Irvine sand where a heavy flow of gas, estimated at 500,000 feet daily has been obtained. The first pay was struck at a depth of 1,347 feet and the second pay at 1,360. The Berea sand in this well was reached at 670 feet and was found to be 80 feet thick and to contain a light flow of gas.

The Rice Oil Company will move the drilling outfit from the Dials well to a point several hundred feet distant and further down the slope of the structure for another test before drilling on their holdings north of the big fault near Burke.

The Ohio Cities Gas Company is making preparations to begin operations on the Fulton 4,000-acre tract, located on the eastern slope of the structure and but a short distance from the Dials farm. This company has extensive holdings in Elliott County and it is understood will make thorough test of the territory under lease.

At a meeting of the stockholders and directors of the Meadow Creek Oil & Gas Company, held recently at the offices of the company in Winchester, plans for an extensive drilling campaign and test work on the holdings of the company, to be started as soon as the weather conditions permit, were formulated. E. C. Byrum, president of the company, presided at the meeting. The Meadow Creek Company is now drilling a well in Owsley County, on Meadow Creek, on a large lease. Weather conditions are bad and a fishing job has handicapped the drillers, but the well is expected in the first of the week.

#### GOOD GAS PRODUCER STRUCK IN ELLIOTT COUNTY BY RICE OIL CO.—OTHER OIL NEWS

Oil runs and completions as furnished by the Cumberland Pipe Line Company for the week ending December 20 show a decrease from the previous week. It is said that the extremely cold weather of the past four weeks has been responsible for the decrease of oil production:

Buysville .....	78.08	Wagersville .....	1,076.39
Fallburg .....	647.83	Beaver Creek .....	102.20
Cooper .....	353.93	Ragland .....	345.40
Denucy .....	660.11	Parmleyville .....	581.79
Stevensville .....	800.41	Pilot .....	13,263.77
Cannel City .....	417.80	Pilot .....	6,683.00
Fitchburg .....	17,762.03	Zachariah .....	180.30
Ravenna .....	3,632.17	Stillwater .....	396.92
Ravenna-a .....	3,825.02		
Ravenna-b .....	14,037.45	Total .....	66,209.12
Campton .....	216.59		

#### COMPLETIONS.

District 13, Parmleyville, Wayne County—E. G. Hogue, No. 6, James Foster, 5 barrels.

Pilot District, Powell County—J. T. Hervey, No. 12, Elijah Baker, 50 barrels.

Pilot District, Powell County—Ohio Oil Company, et al, No. 6, J. W. Rogers, 5 barrels.

WEST LIBERTY, Ky.—Grassy Creek, Morgan County, bids fair to be Kentucky's largest gas field. The last well, which was drilled on the Oldfield lease, was the largest of all. When put to the test it was found to be making 2,000,000 feet a day. This is owned by Mullins & Mullins, of Lexington, who have two more on an adjoining lease, one making 750,000 feet per day. The Central Kentucky Natural Gas Company, which furnishes natural gas to Central Kentucky towns, is looking over this field with the view of taking over the output.

Messrs. E. M. Nowell, C. F. Dickson and G. B. Groesbeck, of Cincinnati, brought in a good well during the past week on the Seth Moore farm, located about one mile south of the Jack Wells. The formation was similar to the Jack Wells in that the same depth of salt water sand, viz., 32 feet, was drilled through before striking the pay sand, which was 60 feet in depth. The oil stood 500 feet in the hole. The cap was reached at 847 feet, making a total depth of 930 feet. This well proves up considerable territory and is especially significant to Nowell in that it proves up the south end of the Jack Wells, operated by the Cuddy Oil Company, of which he is president, and connects up the northern end of the Pendergrass one thousand-acre lease, operated by him and his associates, the southern end of which has already been proven up by Well No. 1 on that lease.

J. H. McClurkin was greatly interested in the Moore well in that this is the second production lease owned and sold by him to Nowell, he having sold the Jack Wells to Nowell some time ago.

The well is estimated at 100 barrels.

#### KNOX COUNTY NOTES.

Messrs. Perry & Company, of New York, have started their No. 4 on the L. W. Hampton farm. They have given contracts for eight additional wells on the Hampton and adjoining farms. Messrs. Ogden and Lantz are the contractors.

Messrs. Curran & Company have made 3 locations on the J. W. Morris farm, adjoining the Hampton farm on the west. Messrs. Ogden and Lantz will also do their work.

Parker & Company, of Wyoming, are starting a well on the Sutton farm adjoining the Hampton on the south.

The Weaver Oil Company are down about 500 feet on the Wm. Tye farm, two miles north of the Hampton wells.

The Ohio Oil Company are down about 800 feet on their deep test near Girdler P. O., six miles north of Barbourville, Ky.

The pipe for the Warner-Quinn pipe line has arrived and the line will start as soon as the weather settles.

Dent Reed and associates are going to drill three wells on Stinking Creek as soon as the roads are in shape to get outfits in.

ION CARROLL.

## PERSONALS

Samuel E. Bell, of the Champion Oil Company, is back.

C. B. Reynolds, of the Star Drilling Machine Company, is in town.

Mr. Titas, of Irvine, spent many pleasant hours in Lexington this week.

W. S. Mitchell, of the Kentucky Oil Company, has returned from the East.

Curley Phillips returned from a hurried trip to Philadelphia and New York. B. F. Wireback, who went to Bridgeport, Ill., for the holidays, has returned.

W. W. Agnew and Jack Boggs are back after a holiday trip to Pittsburg and home.

O. R. Lee went to Louisville in the interests of the Pan-American Oil Company.

Joe Caskey made a trip to Estill County, Wednesday, to look over some leases.

Joseph Hervey, of the Cherokee Oil Company, Chicago, was in town Tuesday.

O. Griesly, of the Pan-American Oil Company, was a Lexington visitor Wednesday.

C. C. Heatt, of the Old Dominion Oil Company, of Louisville, was in town over Sunday.

Capt. Tonkin, of Oil City, made many friends while in the city on business for the Gas Company.

G. W. Dimmick, Jr., of Huntington, West Virginia, is seriously thinking of moving to Lexington.

Frank B. Tomb, the genial president of the Kentucky Oil Men's Association, was in Lexington Saturday.

C. W. Sale, of Beattyville, the man who drilled the first well at Poplar Signboard, was in Lexington Thursday.

Carl K. Dresser, of Bradford, Pa., and a large operator in the Kentucky oil fields, arrived in Lexington Wednesday.

Yantis, Collins, Hudson and Caskey have located two wells west of Mize in Morgan County, offsetting L. V. Mullen well.

Ben Whitcomb and others are drilling on the Nicol farm, one-half mile east of P. J. White well in Wolf County, north of Rogers.

#### DIVIDENDS.

Indiana Pipe Line Company has declared a regular \$2 dividend and \$3 extra, payable February 15, to stock of record January 25.

Humboldt (Kan.) town council is considering the advisability of purchasing the property of the Humboldt Gas Company.

National Fuel Gas Company has declared its usual quarterly dividend of 2 1/2 per cent., payable January 15, to stock of record December 31.

Kerosene import of Japan during the first six months of 1917 amounted to 6,311,000 gallons. The figures show a continued decline.

There are numerous dangers in the oil industry. Many men are being maimed or killed. Every week has its chapter of accidents in the oil fields. And how often the unfortunate and distressing occurrences are due to negligence!

Does the extraction of gasoline from natural gas lessen the heat units in the latter? This question is being discussed and there are differences of opinion among the experts. It would be a live problem for that new government experiment station to be established at Bartlesville, Okla., to tackle.

One of the richest oil and gas deposits of the United States is embraced in Naval Reserve No. 2 in the West Side fields of Kern County, California, which it is proposed by Congress to condemn for the use of the navy. In this reserve are located over 15,000 acres that were patented to the Southern Pacific Railroad as land grants.

Three years ago a young man was working in Wyoming for \$75 a month. He was ambitious and industrious. He obtained leases and managed to have some drilling done. Things then began to happen. His oil properties are now valued at \$50,000,000. Moral: Don't be contented with a \$75 job.

Earnings and prices for The Texas Company's \$60,000,000 common stock continue to move in opposite directions. The company's November net was the largest for any month in its history. In fact, successive months have shown steadily rising profits. For its fiscal year to June 30, 1918, Texas Company is reasonably sure to show the largest balance of earnings of any year in its history.

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## FOR INVESTORS

We are all wishing each other happiness for 1918. It will be a happy year if we only start out to make it so. Happiness comes from within, not from without. It is reflected in our hearts, in our faces and in our actions.

It rests with ourselves whether we shall be happy or unhappy. We have gotten into a morbid frame of mind in this country. We are in a terrible war and we have cause to worry. We must meet the terrific cost of the war, but let us meet it as we should always meet misfortunes—with a smiling face.

We do not agree with my patriotic friend, Mr. Vanderlip, that the time has come to "pull down the shutters." I have quoted the utterances of several other prominent business men in favor of thrift and economy but not of pulling down the blinds. Mr. James J. Phelan, the well-known Boston banker and a member of the Massachusetts Committee on Public Safety, puts the axiom of the New Year in four words when he says, "Business under normal lines."

This is the motto of all the Allies. Friends who are returning from Paris and London assure me that business is going on there quite as usual. We are trying to sell War Savings Stamps to raise \$2,000,000,000 for the Government and, before the winter is over, we will be asked to float another Liberty Loan of two or three times that amount. How can we do these things unless we have plenty of work for all, with good wages, with shopkeepers busy, factories running and business normal?

Let us stop talking about business and let us do business. Let every one do his part to win the war whether he can go to the front or whether he must stay at home. There are those who will fight and there are those who will have to support the fighters. Let us not discourage the men at the front or the men who must stay at home.

I do not belittle the serious nature of the heavy task that is set before us, but it does not help matters in the least to worry over them. It is far better to go to work with an earnest purpose to perform the task, patiently, cheerfully, and thoroughly. It is in this spirit that I appeal to my readers.

Let us make every sacrifice. Let us enforce every economy. Let us be most liberal of all in our expenditures to maintain the Government, but let us practice economy, in a thoughtful, prudent way so that it shall not do harm to the worker nor handicap the business man and the producer on whose activities the prosperity of the country must depend.

With normal business, with the reasonable and equitable settlement of the difficulties of the railroads, with a just revision of the war revenue law and less demagogism in legislation, we shall make progress in 1918 in spite of the war.

The stock market emerges now and then, for a brief hour, from the deep gloom that has settled upon it during the past few months. The great waves of disturbance and unrest show signs of subsidence. After a time the calm will return and prices will be adjusted to new conditions. Thus far this adjustment has not taken place and, in the general upsetting of confidence in the future, standard securities have been permitted to suffer more than their merits seem to deserve.

Heavy and enforced liquidation has come from unexpected quarters. Most of this seems to be well-nigh over. Securities sold at a sacrifice have gone into the hands of bargain-hunters. After such a liquidation as we have had, according to all precedents, chances should favor the buyer rather than the seller.

L., Connellsville, Penn.: With your \$1000 you had better buy good bonds. M., Davenport, Iowa: None of the low-priced coppers can be regarded as "a fair buy." They are all highly speculative. Mining is very uncertain.

M., Chicago, Ill.: Elgin Motor is producing a good serviceable car, but the field is highly competitive and the stock has a decidedly speculative element.

H., Rock Springs, Wyo.: Better not pay \$15 a share for American Telephone stock. It is quoted in New York at 50c bid and 60c asked, and is a mere gamble.

C., Franklin, Penn.: As between oil, gas, railroad and industrial stocks, there are attractive possibilities in each line. If the railroad situation clears up good bargains will be found among the best issues.

S., Watertown, S. D.: Harroun Motors Corporation has started manufacture of cars, but it is not yet an assured commercial success. The stock is not "a good investment," but a speculation.

L., Auburn, N. Y.: American Woolen pfd. is one of the best of the industrial stocks. It has been paying dividends for 18 years. The common pays 5 per cent. The company has large Government orders.

F., Toledo, Ohio: The Beneficial Loan Society is a successful concern serving the needs of small borrowers. Its 6 per cent bonds, with their profit-sharing feature, look like an excellent purchase for a business man.

C., Northampton, Penn.: The notes of the Cities Fuel & Power Company are guaranteed, principal and interest, by the Cities Service Company, a prosperous organization, able to carry out its guaranty.

M., Catskill, N. Y.: While Penn.-Ky. Oil (par \$5 and selling at \$5½) pays 16 per cent, it is more speculative than Sapulpa Oil (par \$5 and selling at \$8½) paying 21 per cent. The latter is a well-regarded cheap oil stock.

F., Denver, Colo.: Alaska Gold is extremely speculative. Its outlook is not bright enough to warrant a recommendation to send good money after bad. Union Pacific paid 8 per cent. regular in 1917 and 3½ per cent. extra.

E., Bridgeport, Conn.: U. S. Rubber first and ref. 5's have declined over 20 points from the figure at which they were first offered. On present market price the bonds yield yearly 7 per cent. and are a well-regarded business man's investment.

M., New York City: There appears to be opportunity to make money in Barnett Oil & Gas. It has been on a 21 per cent. dividend basis, but it is not certain the rate will be maintained. Recent efforts to boom the stock failed.

B., Toulon, Ill.: Because of its dividend and the company's excellent financial condition, American Steel Foundries appears good to hold. Diamond Match Company is paying 8 per cent. and its stock looks like an excellent business man's investment.

H., Pittsfield, Mass.: It would not be wise to sacrifice your excellent railroad and industrial bonds. The interest is not in danger, for all the corporations show good earnings. Some day prices will recover. It would be safe to add to your holdings.

J., Donora, Penn.: Pere Marquette common is a long-pull speculation. Since the road was reorganized its condition has improved, but there is no dividend in sight for the common. Rock Island 6 per cent. preferred is a better purchase than safe for the patient holder.

L., Cleveland, Ohio: The only bonds which have not declined during the late depression are unlisted real estate and farm mortgage bonds. You can obtain issues of these in the denomination of \$100, paying 6 per cent. Diversify your purchases, spreading your \$1,000 over a number of issues.

P., Milwaukee, Wis.: All the choicest stocks have suffered from severe liquidation by holders who sought to have more of their assets in liquid form, but patient holders of securities like Pullman, Penn., C. & N. W. should not eventually suffer if precedents are worth anything.

P., Mansfield, Ohio: Cities Service pfd. is a business man's investment as is U. S. Steel common. N. Y. C. and Penn. seem inviting at present quotations. Preferred stocks of leading railroad and industrial corporations are more desirable than common shares and may be had at bargain figures.

W., St. Louis, Mo.: The first lien 5 per cent. gold bonds of the Southwestern Power & Light Company were recently quoted at 87 and interest, to yield about 6 per cent. The company, through its nine subsidiaries, serves 101 prosperous communities in the Southwest. Net earnings are at the rate of 2½ times the interest on the bonds.

H., Yonkers, N. Y.: The affairs of the Josevig-Kennecott Company of Alaska have been brought into court, through an action against Harvey A. Willis & Co., 32 Broadway, New York, by parties who claim damages for losses on Josevig-Kennecott stock, purchased by them, as they allege, on fraudulent representations.

R., Washington, D. C.: It is impossible to foresee what particular stock will surely advance 20 to 40 points in the near future. You could safely invest \$3,000 in the preferred stocks or bonds of the leading railroad and industrial corporations, which should advance in time. Choice securities are now on the bargain counter.

P., New York City: There are on the market many devices for preventing railroad wrecks. None has been generally accepted and the companies promoting them are making no money by manufacturing. Better leave M-V All-weather Train Control stock alone until the company shows ability to pay dividends. Invest your funds in established dividend-payers.

B. A. W., Cuyahoga Falls, Ohio: Even so sterling a stock as Reading has been affected by unfavorable market conditions. Its ability to maintain dividends has at times been questioned, owing to decline in net earnings. Its subsidiary, the coal company, is reported to be making good profits. The stock is better than a speculation, though not so reliable an investment as formerly.

C., Los Angeles, Calif.: Western Union is on a 6 per cent. basis and makes its payments on the 15th of January, April, July and October. While the stock is a good business man's investment, it would be more advisable to invest your \$10,000 in the pfd. stocks of leading railroad and industrial corporations, because these are better secured. Though prices may go lower this is a good time to buy.

C., Titusville, Penn.: Cosden & Co. is one of the well-thought of minor oil companies. It pays \$1.20 per share. Merritt Oil has possibilities and after its heavy decline is more attractive. Ohio Cities Gas, yielding \$5 per share, is an attractive business man's speculation. Tidewater Oil Company is one of the most flourishing of the independents. Galena Signal common and Crescent Pipe are S. O. subsidiaries of excellent yield, and well worth holding.

G., Richmond, Va.: You can find desirable investments in bonds of railroads in your own section. Among issues deserving attention are Virginian Railway first mortgage 50-year A 5's, yielding on present value about 5½ per cent.; Southern Railway Company, St. Louis Division, first mortgage 4's, yielding 6¼ per cent.; Chesapeake & Ohio Railway conv. 30-year secured gold 5's, yielding over 6½ per cent.; and Seaboard Air Line Railway first and cons. mort., A 6's, yielding about 7 per cent.

J., Lanett, Ala.: Among reasonably safe railway bonds yielding about 6 per cent. are: Baltimore & Ohio con. 4½'s; Colo. & So. first 1's; So. Pac. con. 4's; U. Pas. con. 4's; Ches. & Ohio gen. 4½'s; Seaboard Air Line first con. 6's. Industrial bonds: U. S. Rubber first and ref. 5's; N. Y. Airbrake first con.; Indiana Steel 6's; Montana Power 6's. You might also consider short-term notes like Gen. Electric 6's, or first-class real estate and farm-mortgage bonds yielding 6 per cent.

F., LaSalle, Ill.: While it is admitted that the Doble Steam Car is an excellent one, it remains to be seen whether it will sell sufficiently well to make that company a financial success. These are difficult times for motor car companies, especially those only recently organized. Sinclair Oil has suffered, like all other stocks, in the general depression. It carries a heavy load of securities. Anglo American is one of the S. O. group, is on a 30 per cent. dividend basis and lately voted a stock bonus. It is well regarded.

K., Milford, Mass.: I would hardly class Columbia Gas & Electric as a "desirable permanent investment." It is a fair speculation.

C., Warren, Penn.: I do not advise sacrifice of Penn. R. R. stock. It seems better to even up. Government management of railroads should not result in depriving stockholders of dividends.

K., Steubenville, Ohio: The prospectus of the Butte-Detroit Copper Company is too lurid and the broker is asking too much for the stock. This is quoted in New York at 25c a share and it is too speculative to be recommended.

R., St. Louis, Mo.: The American Car & Foundry Company's business has been greatly expanded and its earnings are large. The preferred stock is a good purchase and the common a business man's investment. It is not "a first class investment," which means gilded, for the earnings are largely due to war orders.

H., Terre Haute, Ind.: Bethlehem Steel 8 per cent. pfd. was lately quoted at about 94; Ohio Oil paid 66 per cent. on par (\$25) this year and was selling at \$282-\$287; S. O. of Ind. 21 per cent., quoted at \$885-\$900; S. O. of N. J. 20 per cent., quoted at \$193-\$198; S. O. of Cal. 10 per cent. regular, 33½ per cent. stock dividend, price \$208-\$213; S. O. of N. Y. 11 per cent., price \$210; Atlantic Refining, 20 per cent., price \$800-\$825.

K., Cohoes, N. Y.: Diversify purchases with your savings of \$1,000. Safer securities than the railroad stocks you mention are Atchison pfd. and com., U. P. pfd. and com., So. Pac., L. & N., Am. Int. Corp. Or you might consider the following railroad bonds, which are still safer and which would yield more than savings bank interest: Atlantic C. L. 4's, C. & O. Conv. 4's, N. Y. C. deb. 6's, Oregon Short Line guar. ref. 4's, So. Pac. conv. 5's and U. P. first 4's.

H., Wallingford, Texas: After the stock of any corporation has been increased the market price naturally declines. S. O. stocks usually maintain the old dividend after stock increases. A number of the S. O. group are good dividend payers with prospects of millions. Ohio Oil, for instance, paid 66 per cent. on par this year, sells around 280 and has a large surplus. The S. O. of N. J. has not cut its melon. The stock was quoted lately at 403 to 408. It paid 20 per cent. in 1917 on par (\$100) or about 4 per cent. on market quotation.

S., Wilkes-Barre, Penn.: The bonds of both the American Tel. & Tel. Co. and the Cleveland Electric Illuminating Company are desirable. Both companies pay liberal dividends. My preferences in your list are Atchison, Union Pacific, Southern Pacific, and American Tel. & Tel. bonds. You can with reasonable safety put \$5,000 into the pfd. stocks of leading railroads or industrial corporations, or you can invest in good real estate or farm mortgage bonds, making an excellent yield. It would be advisable to diversify your purchases.

H., Yankton, S. D.: The Wright-Martin Company is building for the United States Government 3,000 Hispano-Suiza motors. The company's unfilled orders are reported as above \$32,000,000. Profits are estimated at about \$7 a share per annum. On this showing the stock is a fair speculation. Midwest Oil should not be confounded with Midwest Refining. The former (com.) sells at 87c, the latter (com.) at \$94. Both have declined in sympathy with the general market. Midwest Refining pays 8 per cent. Midwest common pays nothing.

H., Hazelton, Penn.: I do not recommend purchase at this time of Maxwell Motors common, as it is paying no dividend. Willys-Overland is paying \$3 per share and is a fair speculation. Colo. Fuel & Iron makes a return of 3 per cent., but is earning several times more. It has good speculative possibilities. General Motors common is a dividend payer and a good business man's speculation. Harroun Motors is too long a pull for a conservative investor. Bethlehem Steel common, paying 10 per cent., is attractive. Penn.-Ky. Oil is a speculative dividend payer and not among the best. Baltimore & Ohio common is in the speculative class because of uncertainty as to its dividend.

D., Pittsburgh, Penn.: The 5½ per cent. bonds of the Miami Conservancy District of Ohio appear safe. The district embraces lands lying along the Miami River and its tributaries in Ohio, covering portion of 9 counties, and including the cities of Dayton, Middletown, Hamilton, Piqua, Franklin, Troy and Miamisburg. There are 1,000 factories in the district. The bonds are issued mainly for improvements necessary to prevent floods and protect property within the district. The total authorized issue is \$25,000,000 and the amount offered is \$10,000,000. The bonds are a direct obligation of the district. They are exempt from all Federal taxes, except inheritance tax. They are in denominations of \$100, \$500 and \$1,000. Offered recently at 100 and interest.

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## EDITORIAL

## BIG YEAR AHEAD.

The current year promises to be an even more prosperous one than the year just closed for the oil industry.

The preceding year has been the most prosperous in the history of all oil companies. With the enormous demands made by war and the universal domestic uses to which oil is now applied, insures even greater prosperity for oil men this year. During the last few months crude oil has been produced at the rate of 1,000,000 barrels a day, the largest production ever known in this country.

The refining capacity of 1,250,000 barrels a day is being rapidly increased to meet the unprecedented demands both home and abroad. In November 110 new oil companies began operations, with a total capitalization of \$120,000,000. In December there were about 50 new concerns capitalized at \$60,000,000.

Never before has oil production attracted such prominent men of the financial world and as great an amount of money as it does today. The answer to that is very simple: Oil is now the third industry in the United States. No wheel turns without oil, and oil will help undoubtedly to win this war.

It is not known at present what methods the Government will employ in taking charge of the oil supply, but in the opinion of operators it will have no deterring effect upon the producing end of the business.

At present there are about 60,000 tank cars in operation for carrying oil and gasoline and it is hoped that Mr. McAdoo will keep these moving rapidly and that additional cars can be supplied.

## WHAT DOES GOVERNMENT WANT OF OIL TRADE?

What does this government want of the oil industry?

Will some one in authority who knows what he's talking about, please state those wants in intelligible language?

Then will the government give the industry a chance to supply those wants before moving to throw it into the maelstrom of government control, which so far seems to have been more of a hindrance than a benefit to other industries?

Up to the present time all the government—and the country—has asked of the oil industry are petroleum products when and where needed at reasonable prices. These the industry has given regardless of cost.

The record shows that every want this government or our Allies have shown or implied has been cared for promptly and reasonably by the oil industry.

Now Fuel Administrator Garfield tells a Senate committee he wants power to take over and regulate the entire oil industry. He says much potential gasoline is being burned up in fuel oil—hence the government should take over the industry.

What can the government or Dr. Garfield do that has not been done to save this possible gasoline? More special refining processes must be developed to get these products from the lower grade crudes. The one good process the government has held, it has throttled and killed officially—by shortsightedness and inefficiency.

Private interests have put hundreds of thousands of dollars in that process and their process—the government's—is a success. Other private interests have put in millions of dollars to solve the problem Dr. Garfield would solve by a wave of the hand and regulation—and are rapidly working out the solution.

Garfield says he speaks so authoritatively of the industry because he is so ignorant of it. No man ever said more truly.

Therefore, will the government please inform itself on what it wants of the oil industry, and state it in a business-like fashion, and cut out this idle talk, guess-work and mental sloth of crass ignorance.

The oil industry is composed of just as good American citizens as ever sat in Washington, and they are entitled to know what their government requires of them.

## DECEMBER FIELD SUMMARIES

## RESULTS IN ALL FIELDS.

## SUMMARY OF COMPLETED WORK

	Comp.	Prod.	Dry.	Gas.
Eastern	341	2,699	52	50
Lima-Indiana	55	973	12	0
Central Ohio	37	0	12	32
Kentucky-Tennessee	142	1,541	45	8
Illinois	34	354	11	0
Kansas	338	12,667	55	10
Oklahoma-Arkansas	612	25,875	164	36
Texas Panhandle	65	4,751	10	0
North Louisiana	14	10,515	4	1
Gulf Coast	85	21,462	40	2
Total December	1,723	80,837	307	130
Total November	2,186	86,785	462	198
Decrease	463	5,948	55	50

## SUMMARY OF NEW WORK.

	Rigs.	Drg.	Total.
Eastern	203	444	647
Lima-Indiana	14	75	89
Central Ohio	48	121	169
Kentucky-Tennessee	13	367	380
Illinois	3	53	56
Kansas	221	555	776
Oklahoma-Arkansas	492	1,260	1,752
Texas Panhandle	90	246	336
North Louisiana	54	162	216
Gulf Coast	152	395	547
Total December	1,200	3,618	4,908
Total November	1,237	3,501	4,738
Increase	53	117	170

Completed work in the fields covered by The World's reports showed a decline in December, but the rigs and drilling wells increased over the record of November. The decline of 463 was due principally to cold weather, which hindered the work of the drillers in a majority of the fields. Lack of water in the Texas Panhandle field also aided in reducing the number of completed wells.

December recorded 1,723 completions and those of November numbered 2,186. The new production, in comparison with November, indicated a decrease of 5,948 barrels, much of this decline being credited to Kansas. There were 55 fewer failures and 50 fewer gasers than in November.

At the end of December 1,200 rigs were ready for the drillers, an increase of 53 over the preceding month. The drilling wells numbered 3,618, or 117 more than in November, making a total gain of 170 in the figures covering new work.

## OKLAHOMA.

## SUMMARY OF WELLS COMPLETED.

	Comp.	Prod.	Dry.	Gas.
Cherokee s. s.	91	932	12	0
Cherokee d. s.	40	1,187	5	2
Osage	55	3,740	10	2
Creek Nation	292	11,466	98	22
Kay County	21	1,375	3	3
Garfield-Noble	5	470	1	0
Cushing-Shamrock	16	785	2	1
Cleveland	14	680	3	0
Headton	45	2,145	7	2
Wildcats	33	95	23	4
Total December	612	25,875	164	36
Total November	741	30,220	156	50
Difference	132	4,345	8	14

## SUMMARY OF NEW OPERATIONS.

	Rigs.	Drg.	Total.
Cherokee s. s.	20	56	76
Cherokee d. s.	10	49	59
Osage	56	124	180
Creek Nation	176	481	667
Kay County	24	76	100
Garfield-Noble	23	54	77
Cushing-Shamrock	32	55	87
Cleveland	32	50	91
Headton	37	111	148
Wildcats	79	180	259
Total December	489	1,245	1,731
Total November	451	1,146	1,597
Difference	38	99	137

The unusually cold weather that settled down upon the Mid-Continent field before mid-December and stayed with it until the closing days of the month, had a very serious effect on oil operations. There had previously been a long period of drought, which was relieved somewhat by rain, when along came the cold and froze everything so tightly that conditions were made worse than before. Drilling operations were suspended and as a result there were 132 fewer completions in Oklahoma in December than in November.

In addition to this condition there was a falling off in new production of 4,345 barrels. In November 744 wells were completed, with a total daily average production of 30,220 barrels. The dry holes numbered 156 and the gasers 50. In December 612 wells were completed, with new production amounting to 25,875 barrels per day, 164 dry holes and 36 gas wells. The Osage district completed only 55 wells against 86 for November, and the new production there fell off from 7,745 barrels to 3,740 barrels. The Creek Nation, although it completed 27 fewer wells than in November, showed more new production, December's record being 11,466 barrels against 10,103 barrels for November. Kay County took a brace, completing six more wells than in November and yielding 1,715 barrels more production, the figures being 4,375 barrels for December and 2,660 barrels for November. Garfield-Noble shows only five completions and 470 barrels new production against 15 completions and 1,910 barrels new production the month previous. Cushing-Shamrock about held its own, but Cleveland district showed a falling off in wells completed and new production. In November 25 wells were completed, with new production of 1,103 barrels, and in December there were 14 completions, yielding only 680 barrels. Headton also had a poor record, with 45 completions and 2,145 barrels new production, against 62 completions and 3,583 barrels new production in November.

No new pools worth mentioning were opened during the month. There is a showing of oil in Woodward County which is tinged with doubt, and time only will tell whether that county will be worth drilling.

In new operations there is plenty doing, although it will take a better brand of weather to bring the wells to completion quickly. The falling off in completions for the month shows in the number of wells classed as drilling wells. At the close of the report there were 489 rigs up, a gain of 38 over November, and in wells drilling there are 1,245, or 99 more than at the close of the November report.

The pools making up the Creek Nation are very active with new work, which is only held back by unfavorable weather conditions. Old, neglected spots are being drilled, and the tendency to deepen old holes and to drill new wells to deeper levels is seen in several parts of the big district as well as in the Cushing field. Deep drilling has no terrors for the Mid-Continent operator any more, even at the excessive cost of operating.

## KANSAS.

## SUMMARY OF WELLS COMPLETED.

	Comp.	Prod.	Dry.	Gas.
Montgomery	44	384	8	2
Chautauqua	48	1,185	11	4
Butler	96	9,240	15	1
Allen	25	212	1	0
Miami-Franklin-Douglas	46	640	12	1
Wilson	13	53	4	0
Neosho	40	529	5	0
Wildcats	26	424	9	2
Total December	338	12,667	55	10
Total November	397	28,348	61	25
Difference	59	15,681	6	15

## SUMMARY OF NEW OPERATIONS.

	Rigs.	Drg.	Total.
Montgomery	4	15	19
Chautauqua	8	25	33
Butler	147	349	496
Allen	0	10	10
Miami-Franklin-Douglas	4	33	37
Wilson	7	8	15
Neosho	0	8	8
Wildcats	51	107	158
Total December	221	555	776
Total November	240	567	807
Difference	19	12	31

Butler County, Kansas, which is the big producing region of that State, fell off woefully during December in the matter of wells completed and new production, bringing the total of the State down to a point where it is lower than it has been in months. Only 96 wells were completed in Butler County in December, and these yielded only 9,240 barrels in new production. Compared with 25,567 barrels in November, 40,147 barrels in October and 58,035 barrels in September, the banner month, it will be seen that either the flush days of Butler County are over or the wells drilling have failed to uncover any new "reservoirs of oil" such as the Towanda pool demonstrated in the summer and early fall. December's new production was not one-sixth of what it was in September, only three months before. Kansas was harder hit by the cold weather than Oklahoma. The temperature recorded there was lower, and on the new leases they were not as well prepared for the unusual conditions as they were in Oklahoma. Notwithstanding this, the completions for the month fell off no more in proportion than in the Oklahoma field. In December in Kansas there were 338 wells finished with a production of 12,667 barrels, 55 dry holes and 10 gas wells. In November there were 397 wells completed, 28,348 barrels in new production, 61 dry holes and 25 gas wells. This shows a falling off of 59 wells completed, a loss of 15,681 barrels in new production, six fewer dry holes and 15 fewer gas wells. There was nothing from the wildcat regions of the State to cause any sensations and nothing new was opened up. The extreme cold weather showed in the new work, in which there was a falling off of 29 in rigs and 12 in drilling wells, the figures being 221 rigs and 555 wells drilling in December and 240 rigs and 567 drilling wells in November.

## MID-CONTINENT.

## SUMMARY OF WELLS COMPLETED.

	Comp.	Prod.	Dry.	Gas.
Oklahoma	612	25,875	164	36
Kansas	338	12,667	55	10
Arkansas	0	0	0	0
Total December	950	38,542	219	46
Total November	1,147	58,443	223	75
Difference	197	19,901	4	29

## SUMMARY OF NEW OPERATIONS.

	Rigs.	Drg.	Total.
Oklahoma	489	1,245	1,734
Kansas	221	555	776
Arkansas	3	15	18
Total December	713	1,815	2,528
Total November	694	1,726	2,420
Difference	19	89	118

The December showing of the Mid-Continent was unfavorable. There were 950 wells completed, a falling off of 197 from the November figures. The new production was 38,542 barrels, a drop of 19,901 barrels from the month previous. There were four fewer dry holes and 29 fewer gas wells. In new work there was a gain of 19 in rigs and 89 in drilling wells, the excess in wells drilling being occasioned by the shortage in the number of completions owing to the cold weather.

## GULF COAST.

## SUMMARY OF DECEMBER OPERATIONS.

	Comp.	Prod.	Dry.	Rigs.	Drg.	Total.
Anse La Bute	0	0	0	1	2	3
Baton	0	0	0	1	5	6
Damon M'd	4	350	2	10	28	38
Edgerly	4	1,700	0	2	6	8
Goose Creek	17	14,200	5	38	83	121
Humble	27	447	11	27	41	68
Jennings	2	240	0	1	5	6
Markham	0	0	0	1	5	6
Spindletop	4	375	1	2	4	6
Saratoga	0	0	0	1	6	7
Sour Lake	2	0	2	4	14	18
Vinton	3	4,075	1	0	14	14
New Iberia	1	0	1	0	6	6
Piedras Pintas	0	0	0	0	5	5
Miscellaneous	21	75	17	64	171	235
Total December	85	21,462	40	152	395	547
Total November	77	14,487	32	137	366	503
Difference	8	6,975	8	15	29	41

One gas well at Damon Mound; one at Goose Creek.

Completions in the Edgerly and Vinton pools at the close of the month came just in time to prevent December from showing a decrease in new production compared with November. A total of 85 wells were completed in the South Texas and South Louisiana pools and in the wildcat sections during the month, with initial production of 21,462 barrels against 77 completions during November and 14,487 barrels initial production. This is an increase of eight completions and 6,975 barrels new production. The labor situation interfered with work during both November and December.

Of the new production developed during the last month of the year 14,200 barrels came from the Goose Creek pool, where 17 wells were finished, five of them being either salt water or abandoned. This is nearly double the amount brought in there during November, with 23 completions, eight of them being barren of results.

Just at the close of the month one well in the Vinton pool started flowing 4,000 barrels a day and in the Edgerly pool the Gulf Refining Company brought in a 1,500-barrel well.

In the Humble pool, 27 wells were completed during December, 11 of them being non-producers, while the new production was but 447 barrels, the smallest for any one month in three years.

Twenty-one wells were finished in the wildcat division, with 75 barrels new production. This was developed around Brownwood in the shallow sand and should not properly be classed with the Gulf Coast region. Seventeen drilling



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wells were abandoned during the month, scattered from southwest of New Orleans to Pecos County in West Texas. At the close of December 171 wildcat wells are drilling in the territory mentioned and 61 derricks and rigs are ready to start.

## TEXAS PANHANDLE.

## SUMMARY OF DECEMBER OPERATIONS.

	Comp.	Prod.	Dry.	Rigs.	Drg.	Total
Electra .....	14	1,165	4	31	52	83
Culbertson .....	1	50	0	3	15	18
Burk Burnett .....	41	3,276	10	28	104	132
Petrolia .....	4	235	2	8	8	16
Wildcats .....	4	25	3	20	67	87
Total December .....	65	4,751	19	90	246	336
Total November .....	113	4,541	37	70	218	297
Difference .....	48	207	18	11	28	39

The summary of operations for the month of December shows a decrease of 48 completions when compared with those for the preceding month, caused by the extreme cold weather that has prevailed during the greater part of the month. There was, however, an increase of 207 barrels of new production and 18 fewer dry holes than there were abandoned during November.

There is also an increase of 11 in the number of rigs built and waiting for machinery and 28 more drilling wells than there were at the close of last month, a total increase of 39, the total number of rigs and drilling wells is now 336, which is the high-water mark for this district. However, it must be borne in mind that all of these are not active and that quite a number of them will probably have to wait for some time before water can be obtained for drilling purposes, therefore the real drilling activity is not much greater than it has been for some months.

## NORTH LOUISIANA.

## SUMMARY OF DECEMBER OPERATIONS.

	Comp.	Prod.	Dry.	Rigs.	Drg.	Total
Caddo .....	9	10,515	0	45	61	106
De Soto .....	0	0	0	1	8	9
Red River .....	0	0	0	2	3	5
Bossier .....	1	0	0	2	4	7
Miscellaneous .....	4	0	1	4	28	32
Total December .....	14	10,515	1	51	102	156
Total November .....	13	2,045	4	51	111	165
Difference .....	1	7,000	0	0	9	6

One gas well in Bossier Parish. Completions in the north Louisiana field during the month of December numbered only 14, nine of which were in Caddo, one gas well in Bossier and four dry holes in wildcat territory. Had it not been for The Texas Company's well in the Pine Island district, the total amount of new production would have been but 515 barrels, but the big gusher came in with an initial production estimated at 10,000 barrels, thereby making a pretty good showing for the month.

## LIMA.

## SUMMARY OF DECEMBER OPERATIONS.

	Comp.	Prod.	Dry.	Rigs.	Drg.	Total
Wood .....	9	30	3	1	11	12
Hancock .....	6	165	0	2	3	5
Allen .....	3	35	0	0	4	7
Anglaize .....	2	25	0	0	4	7
Sandusky .....	5	40	0	1	6	7
Mercer .....	3	21	0	0	2	4
Van Wert .....	2	16	0	2	2	4
Seneca .....	1	40	0	0	8	9
Ottawa .....	1	10	0	1	1	2
Lucas .....	0	0	0	0	1	1
Total December .....	32	382	3	7	42	49
Total November .....	42	672	3	7	50	57
Difference .....	10	290	0	0	8	8

The old Lima fields of Northwestern Ohio showed no feature for the month of December outside of one well drilled by the Ohio Oil Company in Allen Township, Hancock County, along the old-time gas belt, and No. 25 on the Trout heirs' farm, with a production of 100 barrels. Wells of this capacity are rather scarce in the old Trenton Rock field.

During the month 32 wells were completed, with three dry holes and a new production of 382 barrels, a decrease of 10 in wells completed and 200 barrels in new production. There were 115 old wells abandoned.

At the close of December there were seven rigs and 42 drilling wells, against seven rigs and 50 drilling wells at the close of November, making a net increase in new work of eight.

## ILLINOIS.

## SUMMARY OF DECEMBER OPERATIONS.

	Comp.	Prod.	Dry.	Rigs.	Drg.	Total
Clark .....	4	10	2	0	8	8
Crawford .....	18	145	5	1	19	20
Lawrence .....	7	92	2	2	16	18
Clinton .....	1	0	1	0	2	2
Walash .....	2	100	1	0	5	5
McDonough .....	2	7	0	0	0	0
Edgar .....	0	0	0	0	1	1
Jasper .....	0	0	0	0	1	1
Marion .....	0	0	0	0	1	1
Total December .....	34	354	11	3	53	59
Total November .....	41	500	10	7	50	57
Difference .....	7	155	1	4	3	1

During the last month of the year in the Illinois field there were 34 completions, of which number 11 were dry holes, while the new production amounted to 354 barrels. When compared with the figures of November there is shown a decrease of seven in completed work and 155 barrels in new production. There was an increase of one in dry holes.

At the close of the month there was little change in the amount of new work when compared with the preceding month. During December, there were three rigs and 53 drilling wells, against seven rigs and 50 drilling wells in November, showing a net decrease of one in the total.

## INDIANA.

## SUMMARY OF DECEMBER OPERATIONS.

	Comp.	Prod.	Dry.	Rigs.	Drg.	Total
Jay .....	1	60	1	0	0	0
Delaware .....	1	0	1	0	3	3
Randolph .....	1	0	1	2	1	3
Gibson .....	2	155	0	2	7	9
Pike .....	11	138	4	1	11	12
Sullivan .....	7	238	2	1	0	10
Miami .....	0	0	0	0	0	0
Allen .....	0	0	0	0	0	0
Wells .....	0	0	0	1	1	2
Huntington .....	0	0	0	0	1	1
Total December .....	23	501	9	7	33	40
Total November .....	31	430	11	1	37	38
Difference .....	8	161	2	6	4	2

There were 23 completions in Indiana during December, of which 14 were productive, showing a new production of 501 barrels. There was an increase of 161 barrels when compared with the November figures, although the completions were eight fewer. A decrease of two was noted in dry holes. During the month 72 old wells were abandoned.

At the close of December there were seven rigs and 33 drilling wells, against one rig and 37 drilling wells in November, showing an increase of six in rigs and a decrease of four in drilling wells, or a net increase of two in the grand total.

## KENTUCKY-TENNESSEE.

## SUMMARY OF DECEMBER OPERATIONS.

	Comp.	Prod.	Dry.	Rigs.	Drg.	Total
Wayne .....	2	0	2	0	4	4
Wolfe .....	5	30	2	0	10	16
Lawrence .....	3	18	0	1	7	8
Morgan .....	2	0	1	2	6	8
Estill .....	28	219	9	0	65	66
Powell .....	35	569	5	1	11	42
Lee .....	11	229	3	1	37	38
Bath .....	32	15	0	0	2	2
Allen .....	12	365	3	2	27	29
Floyd .....	1	1	0	0	3	3
Metcalf .....	1	5	0	0	4	4
Whitley .....	1	0	0	0	1	1
McCreary .....	1	0	1	0	1	1
Lincoln .....	1	10	2	0	7	7
Knox .....	4	35	0	0	13	13
Johnson .....	1	0	1	0	0	0
Warren .....	1	0	1	0	11	11
Pulaski .....	3	0	2	0	6	6
Logan .....	3	0	3	0	2	2
Jackson .....	2	25	1	0	6	6
Boyle .....	1	0	1	0	0	0
Owsley .....	1	0	1	0	2	2
Grayson .....	1	0	1	0	1	1
Madison .....	1	0	1	1	2	3
La Rue .....	1	0	1	0	1	1
Simpson .....	1	5	0	0	2	2
Montgomery .....	1	0	1	0	2	2
Greenup .....	1	0	1	0	3	3
Marion .....	1	0	1	0	0	0
Taylor .....	1	0	1	0	1	1
Monroe .....	1	5	0	0	0	0
Greene .....	1	0	0	0	3	3
Woodford .....	1	0	0	0	0	0
Rockcastle .....	9	0	0	0	10	10
Knox .....	0	0	0	0	13	13
Laurel .....	0	0	0	0	8	8
Magoffin .....	0	0	0	0	6	6
Barren .....	0	0	0	0	6	6
Cassey .....	0	0	0	0	7	7
Breathitt .....	0	0	0	0	6	6
Miscellaneous .....	0	0	0	0	20	20
Tennessee .....	0	0	0	0	48	48
Total December .....	142	541	15	13	367	380
Total November .....	150	1,061	50	13	331	347
Difference .....	11	420	5	0	33	33

Gas wells: One in Morgan County; one in Metcalf County; one in Pulaski County; one in Woodford County.

In the Kentucky-Tennessee fields during December there were 142 completions, 156 in November, a decrease of 14. The new production was 541 barrels, or 420 barrels less than in the preceding month. There were 45 dusters, against 50 in November, and the gas wells were the same.

At the close of December there were 13 rigs and 367 drilling wells, a total of 380, and in comparison with the November figures of 13 rigs and 331 drilling wells, a total of 347, there is shown an increase of 33 in drilling wells.

## PERSONALS

Mr. Garber, a Canal City contractor, was a Lexington visitor Thursday.

Edwin P. Morrow, the next Governor of Kentucky, was a Lexington visitor Thursday.

A. J. Readway has returned to Cincinnati after inspection of his Kentucky properties.

W. J. Gibson, of Louisville, who was a pioneer in the trade field, was in the city this week.

John Slagle, of Aetna, Pa., general manager of the Cumberland Producing Company, is at the Phoenix.

J. Mott McDaniel, the polished gentleman from Beattyville, is frequently seen around the Phoenix lobby.

Several of the boys who mounted the water wagon on the first are now back with the brass rail brigade.

Sam Bell says that he would have ridden the water wagon all the year, but he got off to give a lady his seat.

That great detective, Biddinger, is in town. He has quit the detective business for the more profitable game of oil.

George Hinton left for the six Thursday. George has some live ones behind him now and will deliver the goods. Here's luck, George!

Oscar Sears, who is not a partner to Rockwell, spent a few days in the city telling what he knows about coal and oil lands in Eastern Kentucky.

"Buck" Slagle, of Cleveland, Ohio, arrived in town after several trials. He found that the train in Cincinnati would not wait for him to get a paper.

Mr. Davies, of the Quaker Oil Company, was a caller at the Oil World office, and he is as full of enthusiasm about the Kentucky oil fields as a dog is full of fleas in August.

Virgil "Miraculous" Gaines, of Irvine, who caught the oil fever in the early days of the Irvine field, was in the city this week and added very much to the appearance of the city.

James Winn, of Estill County, the noted civil engineer, was in the city Thursday. Mr. Winn has been busy constantly for three years in the oil fields of Eastern Kentucky and he is an authority on the topography of that territory.

J. E. Bonnell, of the Oil Well Supply Company, says that he has been busy for a month taking stock, while most of the boys were having their fun. He says that his store has just received several car loads of 60-inch casing, which will be welcomed news to operators.

The famous Dick Veitch, known from coast to coast and from Canada to Mexico, as the best oil well driller, left Lexington Friday for Thermopolis, Wyoming, to drill on the valuable holdings of his brother, J. R. Veitch, who is Assistant Traffic Manager of the Chicago, St. Paul and Milwaukee Railway.

The final consummation of the Furnace Oil Company's holdings in the Irvine field was completed last Saturday, whereby the Old Dominion Oil Company, of Louisville, enters the field with good producing property to insure them revenue from the sale of oil at the outset. The principal stockholders of the Furnace Oil Company were George Collins, S. S. Yantis, Hogan Yancey, Frank Hudson, and W. E. Caskey, all of Lexington. The Old Dominion is composed of Louisville capitalists.



## KANSAS FIELD

(Special.)

WICHITA, Kan., Jan. 2, 1918.—The new year gave Butler County two oil wells in advance of production, creating renewed interest in the southern end of the famous El Dorado pool. They were the Leonard's initial try on the Kinney lease in 20-20-5, which advances production from the Koogler and Nuttle wells a half mile eastward. The Leonard well is fully as good if not better than the Nuttle wells and looks up to the Koogler oilers in size. Morton Brothers got the other new oil on the Shreeves farm in 25-20-4, a half mile south of the farthest south production in Towanda township and a half-mile west and a half mile south of the Koogler wells, which are clustered about the corners of sections 10, 20, 30 and 20. Morton's new well is a mile northwest of the Nuttle oilers. It looks like it was very close to the edge of the pay sand as the top of the pay was not tapped until the drill got to a 2,688-foot level, that being a hundred feet lower than production a mile north and more than 60 feet lower than production in the Koogler wells. The Kinney and the Shreeves wells indicate that the southern extension of the El Dorado pool shoots off towards the southeast instead of following the boundary line south between El Dorado and Towanda townships.

Wichita got a thrill this last week when the Banks test in 8-28-2, four miles southeast of the city, got a showing of oil and gas in a sand topped at 3,040 feet. Cold weather hindered the casing crew so that the well has not been drilled in. Being so close to the center of the oil district of Southern Kansas naturally there is a lot of interest in the well. It is a Union Oil Company test.

New production in Butler County during December took a slump due to more than two weeks of extremely cold weather which not only tied up drilling wells but stopped a lot of pumping in old wells. Although facing the hardship of zero weather Butler County operators turned in 52 completions during the year for a total of 14,115 barrels.

Compared to November production the December total does not show up well, it being around 9,000 barrels less. The number of completions during November turned in by Butler County, was 77. December total would have gone above that with favorable weather. Besides to 52 new oilers ten dry holes were reported abandoned, although there are more dry ones than that which have not been completely abandoned, but just as well be.

Empire had the largest well of the month, it being No. 11 on the Carley lease in 11-20-4, which came in for 3,000 barrels. Gypsy on the Shumway got the second largest oiler while Carter's No. 10 on the Porter in 1-20-4 was third with 2,000 barrels strong.

Patton, Houston, Davis and Dingee have a remarkable oil well in the Shuss district in 25-20-5, a quarter of a mile east of the Shuss discovery well which is in 20-20-5. The new well shot oil over the derrick from a sand picked up at around 2,700 feet, lower by thirty odd feet than production nearby. The hole is being underreamed to the top of the sand. Great Plains Company has a dry one northwest of the Shuss discovery well one-fourth of a mile. It got the sand at 2,777, but ran into salt water.

Foster Oil Company has an apparent failure in the Viola Clough well in 31-20-5, southwest of the Nuttle wells drilled by the Atlas Company in the northeast corner of the same section. The well is shut down at better than 2,715 feet with the hole full of water. Wichita men recently paid \$50,000 for a sixteenth interest in the production on this lease of eighty acres. That is bailing the price of post holes pretty strong.

Gypsy Oil Company landed a surprise well in the north end of the El Dorado pool, getting a thousand barrels in the Cameron No. 1 in 3-25-5, east of a dry hole on the Hewitt lease. The north end of the pool looks like a checkerboard with good production between dusters. The Cameron well, however, appears to be near the eastern edge of the pool.

Southern Butler County has provided a little excitement in the Sperry Oil Company's Cain test in 20-28-6, six miles southwest of Leon. At 2,700 feet the drill went into a gas sand showing for about two million feet. The well blew itself out however, in a short time. There was a rainbow of oil in the sand. Casing was run and the well drilled to 2,750 feet and it was drilling at this writing with no better showing. Interest in the well died down almost as quickly as it was aroused.

A deep test on the Patterson farm in 9-20-4, in the midst of producing wells at 1,800 to 1,600 feet had a showing for a well in a sand at 2,880 feet but water is coming in badly and the test does not look for a commercial oiler. It is a Mid-Kansas holding.

In the Fox-Bush pool the A-1 Company has its Naden No. 1 in 13-20-5, in the sand and showing for around a 125 to 150-barrel well.

Haverhill Company has completed its Marshall No. 2 southeast of the Smock wells for 150 barrels. It shows a southeast extension of the Smock pool. The Marshall No. 2 is in 11-27-5.

Greenwood County has provided one new well of importance, it being the Mid-Kansas' Bryden No. 2 in 35-25-8, which is showing for 300 barrels on the pump from a sand picked up at around 2,310 feet. It extends the Hull sand almost a mile northeast of the Salyards district, where there are two 300 barrel wells now pumping and three drilling around the center of section 2 in 26-8. Great Southern has its Stanhope No. 2 in 22-20-8 on the sand. It is west of No. 1, which is making 70 barrels from a 2,400-foot sand.

Cowley County is coming to the front. The Magnuson well is ready to pump or will be this week, the big casing being strung from the hole at this writing. Eighty acres, a half-mile south of the well, sold for \$175 per acre with a sixteenth of the oil added to the eighth royalty. South of this eighty the Feltingham eighty in 22-30-4 sold for \$50 the acre with immediate drilling. Sixty acres, three-quarters north of the well, which is in 14-30-4, brought \$70.

Empire's Peacock well in 30-32-4, southeast of Winfield, stopped over when put on the pump. It is a deep test, the top of the sand being picked up at 3,127 feet. Around the Peacock are 10-barrel wells in a 1,500-foot sand.

Empire has made a location for a wildcat in 1-32-5 on the Johnson land, Cowley County.

Big Bend has a million feet of gas at 1,000 feet in its test in 18-30-4, four miles west of the Magnuson oiler.

Wildcats in Butler County have fared badly due to cold weather. Most of them were being unlimbered the first of the present week, but little hole was being made.

Mollahan and Hawes have started rig building for a test on 600 acres in 11-20-6, near Pontiac.

Kansas City parties have rigged up and spudded a test on the Waite farm in 21-20-4, south of Towanda.

Uncle Sam is quitting its Henckamp test in 7-26-3, near Benton, because the land owners would not renew leases.

Prairie's two important wildcats, the Mosier in 18-26-3, and the Pattison, in 3-26-6, have been shut down during the cold weather. The Mosier is around 2,250 and the Pattison 2,550 feet.

Towanda Oil and Gas Company, of Nebraska, has shut down on the Gray in 33-25-4 at around 3,225 feet, and it is likely the test will be abandoned.

J. B. Adams and associates are close to the top of the 2,700-foot sand in the Potwin district on the Adams homestead in 30-21-4. This test is up the creek from the Joseph discovery wells which are making around 20 barrels of high grade oil.

Nothing but bad news is to be said of any of the wildcat tests drilling west and southwest of the Trapshooters. Wildcat is the right term to brand these wells, as apparently everyone has been located in a sinclinal formation.

These wells, which appear hopeless, are Uncle Sam on Turner in 15-26-4; Peters on Zink, 9-26-4; Wichita Crude on Towanda lots in 9-26-4; Lucky Eight on Kappes in 3-26-4; El Dorado-Harper-Emoria on the Kischell in 16-26-4; Dynamo on the Boucher 23-26-4, and Texola on the Braley in 15-26-4. When spudded most of the tests looked like winners and the promoters are not to be blamed because the Trapshooters sand pinches off so suddenly west of the famous section eleven. It is some encouragement to know that these tests had showings in the Trapshooters sand.

J. B. D.

## CENTRAL WEST

Many Strings Are Idle.

SCOTTSVILLE, Ky.—In a flying trip over the Central West fields it is noticeable that a great many of the drilling wells are shut down on account of extreme cold weather. During the coldest spell the thermometer reached as low as 11 degrees below zero in this section of Kentucky, and has been the coldest for this season of the year in the memory of the oldest inhabitant. All through the western portion of the State it is impossible to secure contractors, as every string of tools is engaged far ahead, and it is evident that additional drilling machines must come into the territory by the opening of spring if development work is to be rushed. The Southwestern Oil Company, known as the Foreman-Hochstetter interests, secured a lease on the Asphalt Company's land northwest of Bowling Green and will do an immense amount of drilling, the tract containing 42,000 acres.

The hotels at Bowling Green and Scottsville are crowded with oil men, which is an unusual thing during the holidays, but conditions are such that many remain in the field to watch the important developments, so as to be on the ground to gobble up anything that looks promising. The breaking in of the well on the Wheat farm, seven miles west of Scottsville, in the Trammel Creek Section of Allen County, which was drilled by Hamilton and others last September, has caused unusual excitement, and while the value of the well is not as yet known the oil flows over the top of the hole, and the owners expect to put the well into producing shape as soon as a machine can be put on the ground. The value of the well several miles north of Scottsville, in the northern part of Allen County, and near the Moore well, which has been known as the best well in the Scottsville field, which is the Johnson farm well recently drilled by Hamilton and others, is causing more excitement than anything drilled in the county for some time. This well started flowing as soon as drilled in and when connected up filled two tanks with oil within a very short time, flowing steadily, and was then shut in for the lack of storage.

Many locations have been made for new wells around the Moore and Johnson farm wells, and as soon as drilling machines can be secured there will be a rush in that part of the field. Just now the most active development work is in the vicinity of the two wells mentioned. Other active spots are two little pools in the southern part of Allen County, one located at Adolphus and the other a mile or so north of that town. This is very shallow territory, the oil being found at a depth of about 80 feet. The field north is known as the Tucker field, and a few days ago a lease on the Tucker farm, which lies along the Dixie highway, was sold to out-ide parties for \$80 per acre. The farm contained 200 acres, and the new owners expect to start active work as soon as they can ship in the machines and material.

## Good Well at 300 Feet.

In the Gainesville pool, north of Scottsville, the Hamilton well on the Johnson farm is reported at 100 barrels, which is very low for it at this time. The oil was found at less than 300 feet deep. No. 2 will be started at once, as the machine from No. 1 will be moved to the new location. Arkansas parties secured a lease on the Searls 1,000-acre farm, in the Gainesville section, and contracted for a test well on Thursday. Locations have also been made for wells on the Willoughby farm, in proximity to the new pool, and with the locations now made and drilled the territory between the Gainesville wells and Bowling Green will be given a pretty fair test. Charles Fisher and others are drilling a well on the Buchanan farm, between the Moore-Johnson wells and Scottsville, and are confident of finding a prolific strip of territory. Mr. Fisher, the head of this firm, is a West Virginia operator who has been contracting in the Allen County field for a couple of years and concluded to try his luck in hunting a pool.

## GAS COMPANY IS ON DEAL FOR MORE GAS TO SUPPLY THIS TERRITORY

But few completions and very little activity is reported in the oil field for the week ending January 5, due to the extremely bad weather.

In the Pilot District, Jesse Hare, White & Huff report their No. 1 Ed Shoemaker good for ten barrels. This well is located near Torrent and it is thought from the first well brought in that the Shoemaker farm will prove a good producer.

In the Stillwater district, the Ohio City Trust Company report their 35th well, No. 2, Oscar Cecil, as good for 5 barrels.

In the Wagsersville district, the Empire Oil & Gas Company's No. 9, J. L. Ross, is reported at 5 barrels.

Gaines and others report a 40-barrel well on Ross Creek, on the Estill-Lee County line. The well will be shot in a few days and it is thought that it will prove a good producer.

According to the Lexington Leader of Sunday in their report of the meeting of the Board of Commerce and the officials of Lexington in regard to the gas situation, at which meeting Captain Tonkin, of Ashland, president of the Kentucky Natural Gas Company was present, following clipping will be of interest to Central Kentucky people:

"Captain Tonkin agrees to buy over four million feet of gas per day from the Kentucky fields at a 'reasonable price,' but declines to stipulate the price. He now has a deal pending which may be closed in 48 hours with the owners of two wells which supply nearly 2,000,000 feet per day. He agrees to acquaint the board of commerce with the outcome of this deal and to furnish all other information as it arises."



View of Caddy Oil Company's Plant on the Jack Wells farm, Lee County. The Jack Wells farm is one of the best producers in the State.

## BIG LOAD OF IRON.

To the Editor of The World:

The Pan-American Oil Company has put in 3,000 feet of 11% Marsh casing in a well here, the casing weighing 60 pounds to the foot, or a total of 180,000 pounds. Also there was put the same length of 3-inch tubing for cementing, the total weight of casing and tubing being about 125 tons.

This is the heaviest load I ever heard of put in by a single derrick, and is the heaviest in this part of the country. If there have been greater loads put in a well in the United States I would like to hear from some of the boys about it. Sisquoc, Cal., Dec. 28.

JOHN GRIER, Jr.

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## ARRIVALS AT THE PHOENIX

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C. W. Veitch, Tulsa, Okla.  
D. F. Eggert, Winchester.  
E. J. McHugh, Cincinnati, O.  
Jas. Malone, Winchester.  
T. A. Bishop, Louisville, Ky.  
Geo. Bates, Chicago, Ill.  
R. C. Ruggles, Cincinnati, O.  
E. T. Dolan, St. Louis, Mo.  
H. J. Shoen, Louisville, Ky.  
John L. Brady, Covington, Ky.  
Wm. Schluter, Dayton, Ky.  
L. Woods, Paris, Ky.  
L. E. Davidson, Gilbert, W. Va.  
C. F. Carlton, Irvine, Ky.  
F. H. Baker, Cleveland, Ohio.  
J. H. Cosgrove, Frankfort, Ky.  
S. W. Van Meter, Winchester.  
H. O. Paine, Knoxville, Tenn.  
P. J. Agers, Louisville, Ky.  
Wm. Donegan, Bay City, Mich.  
H. A. Buckner, Cincinnati, O.  
W. Pritchard, Ashland, Ky.  
L. L. Jacobs, Columbus, O.  
Geo. Rose, Richmond, Va.  
H. E. Spillman, Huntington, W. Va.  
Sherman Williams, Hamilton, O.  
W. N. Haid, Covington, Ky.  
E. M. Nowell, Cincinnati, O.  
J. F. Barley, Everman, Texas.  
J. C. Nielsen, Chicago, Ill.  
T. F. Reynolds, Cynthiana, Ky.  
T. A. Dwyer, New York.  
W. R. Howard, Chicago, Ill.  
J. W. Yeager, Martington, W. Va.  
S. R. Collier, West Liberty.  
B. Mason, Chicago, Ill.  
Jos. Sanders, New York.  
Geo. C. Minster, Columbus, O.

## RANGE OF PRICES IN 1917.

## Standard Oil Stocks.

Bid and asked prices as of December 22, and 1917 price range.

Company	Range	1917	Dec. 22
	High	Low	Bid Ask
Anglo-American Oil Co. ....	21	15 1/2	17 18
Atlantic Refining Co. ....	1150	77 1/2	800 815
Borne-Strymer Co. ....	430	400	425 450
Buckeye Pipe Line Co. ....	123	77	85 90
Cheslar Mfg. Co. Cons. ....	450	360	300 325
Colonial Oil Co. ....	...	...	10 20
Continental Oil Co. ....	500	400	300 325
Crescent Pipe Line Co. ....	15	30	30 35
Cumberland Pipe Line Co. ....	200	120	120 130
Eureka Pipe Line Co. ....	213	100	100 105
Galena-Sig. Oil Co. pld. ....	115	120	125 130
Galena-Sig. Oil Co. com. ....	100	110	110 125
Illinois Pipe Line Co. ....	250	125	125 160
Indiana Pipe Line Co. ....	110	80	85 90
International Pet. Co. ....	15 1/2	10 1/2	12 13
National Transit Co. ....	21	12	12 13
New York Transit Co. ....	210	175	175 185
Northern Pipe Line Co. ....	110	91	91 98
Ohio Oil Co. ....	135	280	282 285
Penn. Mex. Fuel Co. ....	61	33	33 38
Pierce Oil Corporation ....	15 1/2	8 1/2	8 1/2 9 1/2
Prairie Oil & Gas Co. ....	700	380	385 395
Prairie Pipe Line Co. ....	315	220	238 242
Solar Refining Co. ....	120	270	270 285
Southern Pipe Line Co. ....	220	175	175 185
South Penn Oil Co. ....	340	210	215 255
Southwest Penn Pipe Line ....	120	97	97 105
Standard Oil Co. of Cal. ....	307	202	210 215
Standard Oil Co. of Ind. ....	915	570	570 580
Standard Oil Co. of Kan. ....	610	405	420 440
Standard Oil Co. of Ky. ....	385	280	285 295
Standard Oil Co. of Neb. ....	650	450	485 510
Standard Oil Co. of N. J. ....	803	475	498 503
Standard Oil Co. of N. Y. ....	315	220	238 242
Standard Oil Co. of Ohio ....	510	385	385 400
Swan & Finch Co. ....	135	90	90 100
Union Tank Line Co. ....	115	70	80 81
Vacuum Oil Co. ....	300	315	315 325
Washington Oil Co. ....	40	27	28 32

## Other Oil Stocks.

Dec. 22, 1917.	Bid	Ask	Dec. 22, 1917.	Bid	Ask
Barnett O. & G. ....	1 1/2	1 1/2	Okla. P. & K. ....	6 1/2	7
Cosden & Co. ....	8	8 1/2	Ossage-Hominy Oil ....	6 1/2	7
Elk Basin Pet. ....	6 1/2	6 1/2	Sapulpa Ref. ....	8 1/2	9
Federal Oil ....	2 1/2	2 1/2	Sequoyah Oil ....	5 1/2	11-16
Glenrock Oil ....	7	7 1/2	Sinclair Gulf ....	12	14
Houston Oil ....	30	40	Sinclair Oil ....	28	30
Merritt Oil ....	20	21	Texas Co. ....	125	126
Midwest Oil (cts.) ....	92	93	Tide Water Oil ....	160	170
Midwest Ref. ....	97	98			

## PAN-AMERICAN ADDS NEW DIRECTORS.

At a meeting of the stockholders of the Pan American Oil Company, at which almost all of the stockholders were represented, held at Covington, Ky., on January 3rd, the Board of Directors was increased from three to seven members, the former having consisted of E. M. Nowell, one of the most successful operators in the Kentucky field; L. A. Kochler and H. W. Warren. The new directors added to the Board are: G. A. Sawyer, W. R. Beiser, O. P. Grischy and R. R. Crutcher.

Mr. Sawyer is a member of the firm of Channer & Sawyer, one of the leading brokerage firms of Cincinnati; Mr. Beiser is associated with the well-known Weil Roth & Co., of Cincinnati, and Mr. Grischy is a member of the law firm of Peacock & Grischy, Cincinnati. Mr. Crutcher is a prominent wealthy farmer of Franklin County, Ky.

The report of President Nowell as to the progress of the Company was unanimously approved. The company is operating the Gillespie lease, near Fitchburg, upon which there are six producing wells.

The stockholders also approved an agreement whereby the Company is to operate the Dave Gilbert 70-acre lease, lying between the Hopewell, Pendergrass and Nolan production.

President Nowell announced plans for great developments in the near future.

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## EXCESS PROFIT TAXES

(Continued from last week's issue)

## Meaning of Invested Capital.

The foregoing discussion is for the purpose of setting forth the general situation. The act itself, literally construed, will sustain the harsh construction which is feared by many people. "Invested capital," as defined in the act, may be restricted to the bare literal meaning of the words, to-wit:

1. Actual cash paid in;
2. Actual cash valuation of tangible property paid in other than cash;
3. Paid in or earned surplus and undivided profits, used or employed in the business, exclusive of the undivided profits earned during the taxable year.

The Treasury Department, which is charged with the application of this law and the collection of the tax thereunder, is necessarily imbued with the spirit of collecting as much money as the law will possibly permit. The intent and purpose of the Treasury Department is not to be liberal in the construction of the terms of the act, but is to construe the act against the taxpayer in favor of the Government. This position is probably justified by war necessities, but we do not deem it unpatriotic for the taxpayer to object to paying more than his proportion of the money to be raised, nor do we believe that the operator objects to paying his due and just proportion of the tax. We think that they are imbued with the patriotic spirit and are willing not only to furnish their commodity to the Government as freely as any other class, but are also willing to pay more than their proportion of the tax.

With this fact in view, we believe that arbitrary rulings of the Treasury Department which find no support in the language of the tax measures, should be corrected. We call attention to the provisions of Treasury Regulation No. 2447, relative to which there has been much discussion:

The provision of the law authorizing the depletion deduction, designed as it is to provide a means whereby the invested capital of an individual or corporation may not be subject to the tax imposed by this title, does not apply to individuals or corporations who are operating oil or gas properties under lease, since in those cases the operator has no capital invested in such properties. By capital invested, as herein used, is meant the fair market value of the properties as of March 1, 1913, if acquired prior to that date, or the actual cost if acquired subsequent to that date, as it relates to the owner in fee of the properties.

Lessee will, however, be permitted to deduct from gross income each year a reasonable allowance for depreciation, which depreciation applies to the physical property, including rigs, tools, machinery of all kinds, pipes, casing, and other equipment necessary to the operation of the wells or field. If lessees, in order to secure the right to enter upon, explore, develop or operate gas or oil properties, paid, or shall pay, a bonus in addition to royalties, the amount of such bonus so paid may be ratably distributed over the life of the lease over the productive life of the property, and the lessee may deduct annually as a rental payment an aliquot part of the amount of the bonus so paid, until such amount has been extinguished.

The statute on which the foregoing is based is as follows:

(a) In the case of oil and gas wells a reasonable allowance for actual reduction in flow and production, to be ascertained not by the flush flow, but by the settled production or regular flow; (b) in the case of mines a reasonable allowance for depletion thereof not to exceed the market value in the mine of the product thereof, which has been mined and sold during the year for which the return and computation are made, such reasonable allowance to be made in the case of both (a) and (b) under rules and regulations to be prescribed by the Secretary of the Treasury; Provided, that when the allowances authorized in (a) and (b) shall equal the capital originally invested, or in case of purchase made prior to March 1, 1913, the fair market value as of that date, no further allowance shall be made. No deductions shall be allowed for any amount paid out for new buildings, permanent improvements or betterments, made to increase the value of any property or estate, and no deduction shall be made for any amount of expense of restoring property or making good the exhaustion thereof for which an allowance is or has been made.—Paragraph 8 of Sec. 5 of Federal Income Tax Law as amended Sept. 8, 1916.

It is evident that the foregoing regulation is arbitrary. Oil companies which have paid hundreds of thousands of dollars in the purchase of producing leasehold properties are adjudged by the terms thereof to have no capital invested. If a company has purchased the additional outstanding one-eighth royalty interest, and thereby becomes the owner of the fee to the properties purchased, it is adjudged to have capital invested and is permitted to make deductions for depletion on the said basis. It is evident that the distinction between the two classes of investments is not substantial, and is, therefore, arbitrary.

In closing this branch of the discussion, it is our conclusion:

(a) That a proper basis for determining "capital invested" should include the actual cash value of the company's holdings at the time the tax law went into force and effect, or at any rate on January 1, 1917.

(b) That deduction for depletion shall be allowed in all cases where capital has been invested in producing leaseholds in the same manner that deduction is allowed where the fee has been purchased outright.

Another phase of the law which is objectionable from the standpoint of transaction of business, is the time of collection. A great many smaller companies and individuals have failed to make adequate provision for the payment of said tax, by setting aside the amount of money requisite for said purpose. Such money has been reinvested in new ventures and other properties, and if the collection of the tax is rigidly insisted upon, forced sale of many oil properties will result.

(To be Continued Next Week)



## KENTUCKY NEWS

Taylor and others have started an important test in McCreary County and near Stearns.

Carl K. Dresser's No. 13 on the E. M. Rogers farm near Torrent is good for 10 barrels.

Wm. Brown has completed and shot a fair producer on the Callahan farm in the Ross Creek district, along the Estill-Lee line.

The Atlantic Oil Producing Company are due at their first on the W. H. Vance farm in Morgan County, 3 1/2 miles north of Caney.

In Lee County, near the Estill-Lee line, the well of Gaines and Brown, recently reported Gaines and Gaines, will pump 20 barrels. The producer is located on the Frank Callahan farm, on Ross Creek.

The Melick Oil Corporation, of which David L. Melick is president, organized in July, filed amended articles of incorporation, providing that the affairs of the corporation shall be conducted by a board of three directors and not more than nine.

L. G. Neely is due at an important test in Wolfe County, south of the old Stillwater district, a distance of four miles from production. This is 1,500 feet drilling. The same operator is starting in the Peter Legg lease, 2 1/2 miles east of Torrent in the same county. His No. 3 on the Charles Means farm, west of the Ashley farm in Powell County is drilling. The first two wells are fair size producers.



L. M. Nowell, Jack Wells and Phillip Dode at Jack Wells farm. The Caddy Oil Company has five good producing wells on this farm. Mr. Nowell is president of that company and is interested in 1,500 acres of choice leases in that territory.

## Kentucky-Badger Oil Producing Co.

OF WISCONSIN

## NEW COMER SECURES VALUABLE LEASES IN KENTUCKY OIL FIELDS.

Many things have happened in the petroleum industry since Colonel Drake "struck it" at Pithole, Pennsylvania, in 1859. The boom days accompanying the discovery of the oil fields of California, Texas and Oklahoma are well remembered, and now the greatest "oil boom" in the history of the industry has struck Kentucky.

It is a different kind of a "boom" however. The spectacular romanticism created by the fortune hunter, the gambler and the speculator, the wild debauchery of unlimited restraint that invariably accompanied the earlier booms is conspicuous by its absence in Kentucky.

Aside from the experienced oil men who have come into the state, and they are all here, the industry has attracted thousands of big, substantial business and professional men from all over the country who have either entered the field as active operators or have sent to their money to be used in development.

Conspicuous among men of this caliber is a group of well-known business and professional men from Wisconsin, who are associated together under the corporate name of the Kentucky-Badger Oil Production Company, a Kentucky corporation.

A representative of the Oil World had the good fortune to interview the President of this company, George W. Rankin, when in this city recently. Mr. Rankin is a well known figure in the agricultural publishing and advertising fields, being the Director of Publicity upon Hoard's Dairyman, the world authority upon the subject of Dairy Husbandry. Various members of his family have made fortunes in oil and it was through an immediate relative, who is one of the big independents in the State, that he became interested in the Kentucky oil fields.

Mr. Rankin came down from the Badger State one day last summer to look things over and it wasn't long until he was a dyed-in-the-wool, thirty-second degree Kentucky Oil Booster. Forgetting the advice of the Hindu philosopher who said, "Follow a herd of cows, O my sons," he became an ardent devotee of the god, Petroleum, and at the same time converted many others to the faith.

Going back to Wisconsin, Mr. Rankin summoned together a number of his good friends and business acquaintances, sold them upon the wonderful opportunities in the Blue Grass Oil Fields and returned to Kentucky with the injunction and the money to buy the best acreage procurable.

The properties of the Kentucky-Badger Oil Production Company were all secured by E. B. Irvan, the well-known oil man, which is a sufficient guarantee of their excellence. Mr. Irvan is a Kentuckian by birth and knows the state geographically and geologically as do few men. He pioneered in Oklahoma and after fourteen years in that state returned to pioneer in his native state in company with P. J. White. Mr. Irvan continued his associations with Mr. White until he assumed the active management of the Stanton Oil Company, of New York, one of the big independent operators.

Unlike many oil companies, the Kentucky-Badger Oil Production Company was not organized for the purpose of stock exploitation but for the sole purpose of bringing in production. The men back of the concern have put their own money into the enterprise and have no stock for sale. The capitalization is nominal, being but \$50,000, which sum represents only a partial value of the holdings. Many of the properties owned could not be purchased today for ten times their original cost. The very choicest acreage obtainable was secured in ten of the best oil counties.

The production manager is to be one of the big oil men now active in the Kentucky fields but for business reasons his name is withheld for the present. The secretary-treasurer of the company is A. L. Stengel, a prominent Wisconsin attorney. Mr. Stengel will give his entire time to the interests of the concern.

Our personal knowledge of the corporation and the character of its properties, justifies us in stating that no new company has ever started out with brighter prospects for production than the Kentucky-Badger Oil Production Company and it gives us pleasure to announce the coming of these Wisconsin men into the Kentucky Oil Fields.

## OILS AND GAS

LIMA, Ohio.—Cold weather and heavy snows continue to handicap operations on either side of the river in the Ohio Valley crude oil and gas fields. Few completions are being reported. On the West Virginia side in Sardis district, Harrison County, the South Penn Oil Company has a fair gasser in its third venture on the Garry Lyons farm. In the same district the same company has been forced to skid on the rig of the K. V. Thompson farm and start a new hole. In Grant district the West Virginia Central Gas Company has completed second tests on the Eliza A. Smith and B. Vanhorn farms. Both are gassers. In the same district the Philadelphia Company got one of the same kind at a second test on the Porter Maxwell farm and on the same farm is drilling. The Houe Natural Gas Company has made location for a second test on the Harriet Lowther farm.

On the Ohio side in Hocking County, Ward Township, the Chartiers Oil Company is drilling a test on the Mary E. Dawley farm and has made the location for one on the Hocking Valley Products Company's tract. The Nypeno Oil and Gas Company has made the location on the Elmer Jones farm and the Plymouth Oil and Gas Company has made the location for one on the J. S. Payne farm. William Cline & Co. are starting on the W. A. Donaldson farm, and Cochran, Funk & Co., are drilling on the George Price farm. In Washington Township, Hocking County, the Grosscup Oil Company has completed one good for 10 barrels, the first 24 hours. It is this company's second test on the R. C. Brinner farm. In the same district the Mingo Oil Company's on the B. K. Tritch farm is producing 30 barrels a day. In the same district the Preston Oil Company is drilling a test on the G. B. and H. D. Alexander farm and starting a second test on the Ira Duffy farm. The Kachalmacher Oil Company has started to drill a test on the Armstrong heirs farm.

In Topewell Township, Licking County, the Ohio Cities Gas Company drilled a second test on the Anna R. Stump farm and showing for a 25-barrel producer. In the same district the same company is due on the E. Porter farm and the Planet Oil Company and the Carter Oil Company are also due at tests on the J. R. Humphrey and Edward Coe farms. In Bowling Green Township, Licking County, the Midland Oil and Gas Company is drilling a test on the George Bowers farm. In Cass Township, Muskingum County, George Guthrie & Co. have a fair gasser at a test on the Thomas Little farm, and adjoining the same farm the same parties are due at a test on the C. B. Fossett farm. In Licking Township the Ohio Cities Gas Company has started to drill on the George Madden farm and the same company is down at No. 5 Lucinda Montgomery farm and at No. 24 on the Samuel Frazier farm. Both wells are shut down. The Edward H. Everett Company is at one on the Cynthia and T. S. O'Bannon farm and J. C. & J. E. McLaughlin have started to drill on the Rosa McLaughlin farm.

In the Macksburg district in Washington and Noble Counties late completions are light pumps or dry holes. The States Oil Company's test on the James Heddleson farm is a three-barrel pumper and Lawrence & Newell's on the James Heddleson farm is a three-barrel pumper. The Schott Farm Oil Company's on the Casper Schott farm is a 1-barrel pumper and Charles Cross & Company's test on the Alfred Humm farm is a duster. Athens County is not furnishing anything better than light pumps. The Wilmington and Athens Oil and Gas Company's last two wells on the Cunningham heirs' farm are each good for three barrels a day and Ross Brothers' on the H. A. Cook farm is a very light pumper. There is more new work in Meigs County than for some time. Clark & Sawyer got a 3-barrel pumper at a test on the Elizabeth Mills farm and Pratt & Crawford's on the W. T. Bartles farm is a light pumper. The same parties are due on the A. I. and Alma Edwards farm.

GLASGOW, Ky.—The Oil Land Developing Company, with a capital stock of \$10,000, is the latest venture in the oil industry in this section. The company is composed of capitalists in Indiana, Ohio, Oklahoma, Pennsylvania, New Jersey and Kentucky. The company purposes to buy a tract of land, cut it up in lots and sell the lots with a positive guarantee that as many as four oil wells be drilled on the land. Their first operations will be in this county, where they have purchased an eighty-acre tract in proved territory.

The two wells drilled in on the Rosseau lease in December have been given a pumping test, and show up 10 and 15 barrels. So well pleased are the owners, Messrs. Frick and Lindsey, that they have located to more wells on this lease, and active operation will begin in the spring or sooner, if the machinery can be purchased.

It is established beyond a question that the old Kinslow well, which has been the subject of so much comment, was drilled in 1865. When first completed the well produced 150 barrels a day. Later it settled to 100 barrels, and held that rate for many years. Then the decline was gradual, until it settled at 25 barrels per day, and remained that way for six years, dropping later to 10, and now pumps several barrels per day. It is said to be the oldest producing well in the State of Kentucky.

(Continued from Page One)

war period, exclusive of undivided profits earned during the taxable year; provided, that in the case of mines, oil and gas wells, having no pre-war net income, or acquired since the pre-war period, the "invested capital," at the option of the taxpayer, shall be (1) the net income for the year 1917 capitalized at 12 per cent., and (2) paid in or earned surplus and undivided profits used or employed in the business subsequent to the year 1917, exclusive of undivided profits earned during the taxable year."

One of the serious blunders of the Revenue Tax Act, according to the oil operators, is that the deductions which corporations are permitted to make are based upon capital stock instead of invested capital. This provision of the law creates very serious inequalities of taxation between mine and oil wells which possess practically the same statutes of production.

The law provides for the deduction of not less than 7 per cent, nor more than 9 per cent, of the invested capital as a basis upon which the progressive assessment of excess profits is determined. The higher the capitalization, the greater the deduction, so that the more conservative mining company with its low capitalization is required to pay a much higher tax upon its excess income.

The brief presented by the committee to the Tax Advisory Board in connection with the amendment urged upon the board that, in arriving at its recommendations, it give careful consideration to the following propositions showing the reasons why the construction the committee asks should be placed on the Excess Profits Tax Law:

## Proposition 1.

"The oil and gas and mining leases should be construed as tangible property.

"Oil, gas and mineral leases within a defined mineral field, or near to such field, have an actual cash market value.

"An oil and gas or mineral lease is easily distinguished from other classes of intangible property defined in the act, such as good will, trade marks, franchises, etc., and does not belong in the same classification as intangible property defined in the language of the act itself and should not be given the same precarious status as good will and other forms of intangible property upon which the most narrow limitations of the law are now imposed.

"In defining intangible property the Treasury Department should not extend the act and should not include any property not specifically included in the language of the act itself and should not by construction extend either the meaning or the language of the act and should not include mineral leases as intangible property, because they are not so designated in the act

## Proposition 2.

"That individuals engaged in prospecting for oil or minerals should be considered as 'engaged in business having no invested capital,' or, 'merely nominal capital.'

"The oil and mining industry depends for its progress and future existence upon the constant discovery of new deposits. The hazards of the prospector are great, the capital employed is very small and if the profits on an occasional find or discovery are to be taxed at practically 60 per cent rate, the prospector will be discouraged from his efforts and the progress of the industries which depend upon him will be dangerously impeded. The continual supply of oil, gas and many minerals depends in a large measure upon the activity of the prospector. His rewards should not be subject to the heavy graduated rates of the tax which are intended to apply to income from capital and not to profits from personal efforts. We feel that public assurance should be given to this class of taxpayers, by formal regulations of the Treasury Department, that the profits of perhaps a lifetime of research and effort will not be taken in major part by this tax. We believe it is essential to the welfare of the industries that the apprehension which now exists among prospectors be relieved by prompt public announcement of a ruling that the flat rate of eight per cent will apply to them.

## Proposition 3.

"That surplus earned during the year should be construed as invested capital from the time at which such surplus is actually employed in the business.

"The act provides that there may be included as invested capital 'paid in or earned surplus and undivided profits used or employed in the business, exclusive of undivided profits earned during the taxable year.' The provision includes surplus and undivided profits. It excludes only undivided profits during the taxable year. The omission of the word 'surplus' from the exclusion is significant. It indicates an intent to exclude only so much of the year's earnings as are accumulated for distribution as dividends and not that part thereof which is intended to be used and is used as additional capital in the business. To withhold any credit for capital so actually invested until the following year is unjust and not intended by the plain language of the statute.

## Proposition 4.

"That under Section 210 of the act the commissioner has power to determine the proportion of income of an oil or mining business which shall be considered as excess profits without requiring each taxpayer to determine his or its invested capital.

"Under Section 210 the Secretary of the Treasury has power to determine the proportion between the deduction and the net income of any trade or business. This proportion should be carefully and equitably determined with respect to the gas, oil and several mining businesses in order that the many taxpayers who cannot compute invested capital for the pre-war period may have just measure of the tax. Such determination can be made applicable to a computation of the successive graduated rates of the tax in cases where the invested capital for the taxable year is not capable of ascertainment.

## Proposition 5.

"That the proceeds from the sale of a corporation of its own capital stock, whether original issue or capital stock, should not be held to be income.

"It has come to our attention that the Commissioner of Internal Revenue has held in a recent ruling that proceeds from the sale of treasury stock are taxable income. It is a custom in the organization of mining corporations that the owner of the mining property transfers the property to the corporation in exchange for its entire authorized capital stock, thereafter "donating" to the treasury of the company a part of such stock to be sold in order to raise working capital.

"The ruling we refer to holds that the amount received by the corporation from the sale of such treasury stock is income to it. Thus a corporation may be assessed for a large excess profits tax before it has commenced business, a proposition so foreign to the intent of the law that to state it is sufficient to show its untenability.

"We protest that a ruling of this character is so unjust that an express statement should be made to the Treasury Department that such proceeds are not income or profits taxable either under the excess profits tax law or the income tax law."

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Articles incorporating the Mina-Owen Oil Company at \$10,000 were filed this week. The stock is divided into 100 shares par value of each being \$100. Offices of the concern will be located in Lexington.